

PEREKRESTOK UPDATES BRAND AND STARTS ROLL-OUT OF NEW CONCEPT FOR 25TH ANNIVERSARY

Moscow, 20 February 2020 – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), announces that the Perekrestok supermarket format has begun the roll-out of its new store concept. Among the highlights of the new concept are a new logo, updated interior and exterior designs, and a selection of new services offered in-store. Perekrestok will adopt the new concept for all of its new standard-size supermarkets and for planned refurbishments. The format plans to open more than 100 and to refurbish around 30 stores this year.

The new Perekrestok concept is designed to meet the needs of today's customers, including frequent purchases of ready-to-eat and ready-to-go products. About 50% of the selling space will be dedicated to fresh categories (fruits, vegetables, dairy products, cheese, deli meats, as well as fresh fish and meat) or salad bars, bakeries and cafés. This is what customers will see when they enter the supermarket. A special area will be focused on the health foods category, which was expanded by adding products from Perekrestok's Green Line private label.

In order to facilitate a smooth shopping experience, new and refurbished stores with a floor area of over 800 sq m will offer two paths for customers, one shorter and the other one longer. The first one takes shoppers through the fresh produce zone, salad bar, ready-to-eat offerings, cafe, and bakery. This enables people who want to pop in to grab some ready-made or fresh foods can be out of the store in no time. The long route takes the customer along the outer areas of the store that sell fish, meat, deli, dairy, grocery, beverages and associated goods. By smartly positioning "magnet" categories that enjoy the most demand, the store is able to eliminate grey zones.

Before launching the roll-out, the new Perekrestok concept was piloted in a number of supermarkets. The first was opened last June on Tallinskaya St in Moscow. All of the pilot stores outperformed sales forecasts, enjoyed positive feedback from customers and received high net promoter scores (NPS).

As part of the new concept, Perekrestok has updated its brand ID. The retail chain has kept the clover in its logo, but replaced hollow petal outlines with a solid fill, changed the logo font, and added dots above Russian letter "ё". The new design and concept are intended to celebrate the chain's 25th anniversary this year. Hence, the name of the new concept: Perekrestok25.

"Perekrestok has retained its leadership in the Russian supermarket segment for years, which means that our CVP remains popular with consumers. The chain is happy to evolve and grow in order to maintain its leadership, retain customer interest and improve its services. We aimed to design an 'emotive' store with a new and enjoyable shopping space that remains true to the current brand's interior design," said Vladislav Kurbatov, General Director of Perekrestok.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba1’, S&P – ‘BB’, RAEX – ‘ruAA+’) is a leading Russian food retailer. The Company operates several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand and the hypermarket chain under the Karusel brand.

As of 31 December 2019, X5 had 16,297 Company-operated stores. It has the leading market position in both Moscow and St Petersburg and a significant presence in the European part of Russia. Its store base includes 15,354 Pyaterochka proximity stores, 852 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 42 DCs and 4,124 Company-owned trucks across the Russian Federation.

For the full year 2018, revenue totalled RUB 1,532,537 mln (USD 24,439 mln), Adjusted EBITDA reached RUB 109,871 mln (USD 1,752 mln), and net profit for the period amounted to RUB 28,642 mln (USD 457 mln). In 9M 2019, revenue totalled RUB 1,265,130 mln (USD 19,440 mln), adjusted EBITDA reached RUB 95,975 mln (USD 1,475 mln), and net profit amounted to RUB 25,043 mln (USD 385 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.08%, treasury shares – 0.01%, Shareholders with less than 3% – 40.62%.

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

Elements of this press release contain or may contain inside information about X5 Retail Group N.V. within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).

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